

# Q2 2013



## Town of Colma Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

### Colma In Brief

Receipts for Colma's April through June sales were 16.4% higher than the same quarter one year ago.

A new dealership added to already positive new auto sales that surpassed regional and statewide trends. Sales activity rose in building-related sectors while a new business boosted returns in business and industry.

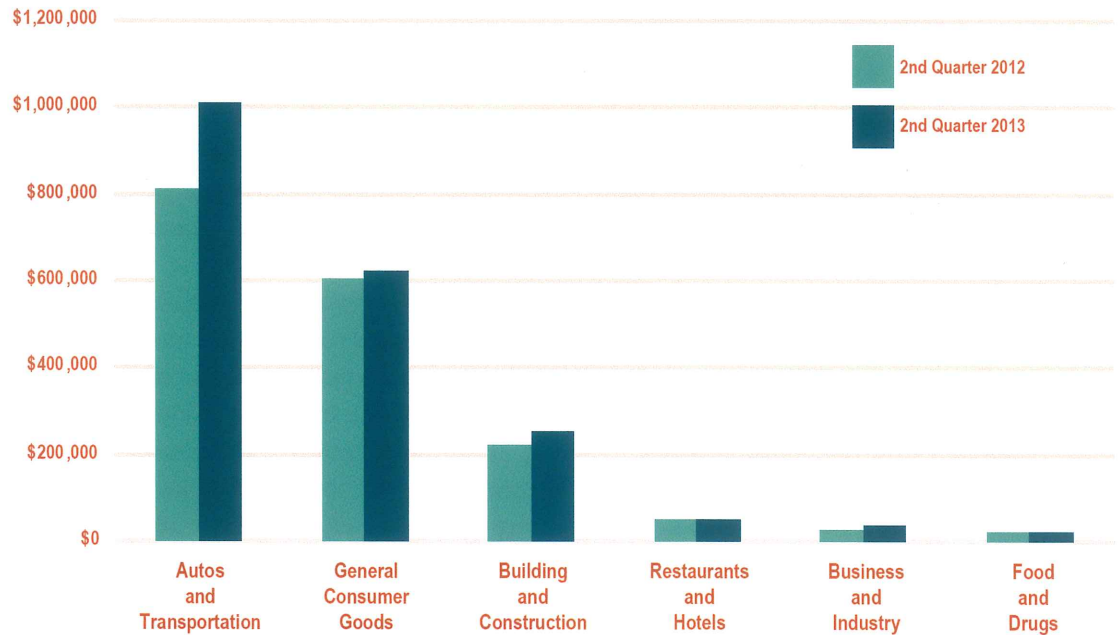
Recent openings in the specialty store and home furnishing categories accounted for the increase in general consumer goods. Nonetheless, family apparel was up.

The overall loss in restaurants was due to temporary late payments.

An increase in the countywide use tax allocation pool contributed to the gain in gross receipts.

Adjusted for aberrations, taxable sales for all of San Mateo County increased 3.4% over the comparable time period, while the Bay Area as a whole was up 5.2%.

### SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Babies R Us	Marshalls
Bed Bath & Beyond	Mens Wearhouse
Best Buy	Michaels Arts & Crafts
BevMo	Nordstrom Rack
Cypress Lawn Cemetery	Old Navy
Golden Gate Acura	Pacific Nurseries
Home Depot	Pacific Sales
Honda of Serramonte	Serramonte Auto Plaza
Hyundai Serramonte	Serramonte Ford
Kohls	Stewart Chevrolet Hyundai
Lexus of Serramonte	Target
Lucky Chances Casino & Dining	Team Volkswagen
	Toyota Lease Trust

### REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$1,746,227	\$1,999,899
County Pool	205,181	272,586
State Pool	1,750	1,414
Gross Receipts	\$1,953,158	\$2,273,898
Cty/Cnty Share	(97,658)	(113,695)
Net Receipts	\$1,855,501	\$2,160,203
Less Triple Flip*	\$(463,875)	\$(540,051)

\*Reimbursed from county compensation fund



### State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

### The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

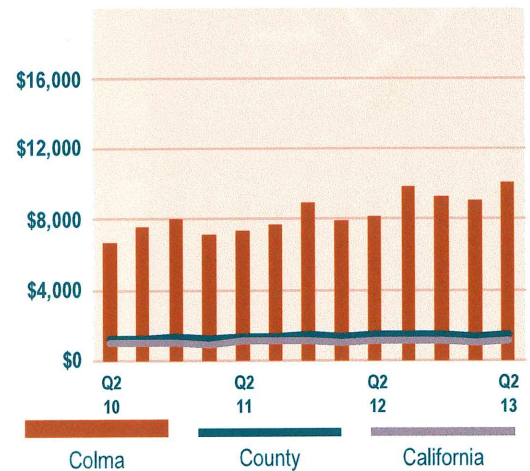
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

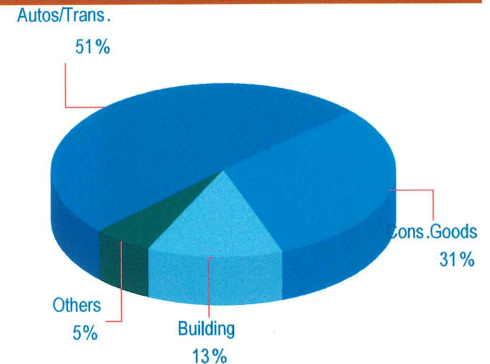
Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

### SALES PER ACCOUNT



### REVENUE BY BUSINESS GROUP

Colma This Quarter



### COLMA TOP 15 BUSINESS TYPES

Business Type	Colma		County	HdL State
	Q2 '13*	Change	Change	Change
Art/Gift/Novelty Stores	— CONFIDENTIAL —		32.9%	1.9%
Auto Lease	38.3	11.1%	16.6%	13.4%
Department Stores	— CONFIDENTIAL —		-0.2%	0.2%
Discount Dept Stores	— CONFIDENTIAL —		1.1%	2.3%
Electronics/Appliance Stores	87.7	-4.8%	11.6%	3.8%
Family Apparel	54.1	11.6%	-9.0%	4.8%
Garden/Agricultural Supplies	— CONFIDENTIAL —		16.8%	14.7%
Home Furnishings	49.8	18.8%	0.2%	6.8%
Lumber/Building Materials	— CONFIDENTIAL —		3.5%	-4.4%
Morticians And Undertakers	39.6	9.2%	2.6%	1.2%
New Motor Vehicle Dealers	956.8	25.2%	8.6%	11.1%
Package Liquor Stores	— CONFIDENTIAL —		4.5%	5.8%
Restaurants Liquor	— CONFIDENTIAL —		8.7%	9.3%
Restaurants No Alcohol	21.7	14.1%	18.8%	5.9%
Specialty Stores	41.9	7.6%	-1.0%	5.1%
<b>Total All Accounts</b>	<b>\$1,999.9</b>	<b>14.5%</b>	<b>1.6%</b>	<b>7.0%</b>
<b>County &amp; State Pool Allocation</b>	<b>274.0</b>	<b>32.4%</b>		
<b>Gross Receipts</b>	<b>\$2,273.9</b>	<b>16.4%</b>		
City/County Share	(113.7)	-16.4%		
<b>Net Receipts</b>	<b>\$2,160.2</b>	<b>16.4%</b>		

\*In thousands